

# **NEW JERSEY MINING COMPANY**

November 16, 2006

## **PRESS RELEASE**

### **New Jersey Mining Company Signs Agreement on Copper-Silver Deposit**

Kellogg, Idaho. New Jersey Mining Company (OTCBB:NJMC) announces that it has signed an initial letter agreement to acquire the mineral rights to the Niagara copper-silver deposit located near Murray, Idaho. The deposit is a Revett copper-silver deposit with an inferred resource of 2.7 million tonnes that grades 0.93% copper and 37.8 grams per tonne silver (1.10 ounces per ton).

The Niagara copper-silver deposit is located near the forks of Eagle Creek about 7 kilometers northwest of the Company's Golden Chest mine. An exploration program completed by Earth Resources Company on the property in the 1970's identified a larger resource of 16.4 million tonnes grading 0.49% copper and 24.3 gpt silver. The program included 8 drillholes and 6 trenches on the outcrop of the mineralized strata. Earth Resources also completed metallurgical testwork that indicated conventional flotation will achieve recoveries of 94% for copper and 90% for silver. Preliminary economic studies by Earth Resources contemplated an underground mine that mined the higher grade core (2.7 million tonnes) of the deposit at a rate of 800 tonnes per day.

Company President Fred Brackebusch commented, "The addition of the Niagara property significantly increases the Company's silver resource base. Our strategy in the Murray District is to find enough resources to justify the building of a flotation mill processing more than 500,000 tonnes per year. The addition of the Niagara resources to about 3 million tonnes at the Golden Chest brings the total amount of resources to a level that may allow the construction of such a flotation plant. Our job now is to conduct additional drilling and feasibility analyses to determine if the resources can be economically mined and processed."

Previous geologic reports indicate that the high grade core could be reasonably expected to increase to 4 million tonnes at 1.2% copper and 44.6 gpt silver with more drilling on close-spaced centers of 100 meters.

The agreement on the Niagara deposit was reached with a private party and covers nine unpatented claims. Terms of the agreement call for an exploration period of five years, and during or at the end of the exploration period NJMC can decide to enter a mining agreement. Upon entering a mining agreement, NJMC could exercise an option to buy 90% of the royalty

interest for \$2.5 million or NJMC could decide to pay the full Net Smelter Royalty of 3% on any production with annual minimum royalty requirements. On completion of the final agreement, which is expected before the end of this year, NJMC will issue 30,000 shares of restricted common stock plus \$4,500. During the subsequent five-year exploration period, the required annual payments are 30,000 shares and \$3,000.

New Jersey Mining Company is involved in exploring for and developing gold, silver and base metal ore resources in the Coeur d'Alene Mining District of northern Idaho. The Company has a portfolio of mineral properties in the Coeur d'Alene Mining District including the New Jersey mine, the Silver Strand mine, the Golden Chest mine, and several other exploration prospects.

This release contains certain forward-looking statements within the meaning of the Federal Securities Laws. Such statements are based on assumptions that the Company believes are reasonable but which are subject to a wide range of uncertainties and business risks. Factors that could cause actual results to differ from those anticipated are discussed in the Company's periodic filings with the Securities and Exchange Commission, including its annual report on Form 10-KSB for the year ended December 31, 2005.

Further information about New Jersey Mining Company can be reviewed on the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov) or on the company's website at [www.newjerseymining.com](http://www.newjerseymining.com)

Contact: Grant Brackebusch, Vice President  
Phone (208) 783-1032  
E-mail: [ir@newjerseymining.com](mailto:ir@newjerseymining.com)  
Website: [www.newjerseymining.com](http://www.newjerseymining.com)